

Committee on Ways And Means

Medicare Provisions Save Money, Reform Program

Saving Taxpayer Money

- Accelerates income-relating of the Part B premium, requiring more affluent seniors to contribute more to the costs of their care.
- Ensures comparable payment rates across settings for the same services through payment reforms for imaging and ambulatory surgical centers.
- Reduces government waste by paying only for needed repair and maintenance for durable medical equipment – such as certain walkers, commode chairs and hospital beds – rather than making automatic semi-annual payments for service contracts. Shortens the rent-to-own period for durable medical equipment, reducing beneficiary and taxpayer costs from extended rental periods.
- Freezes the home health payment rate for 2006; without this freeze, Medicare would be paying home health agencies an average of 17 percent more than their costs in urban areas and 10 percent more than their costs in rural areas.
- Reduces fraud and abuse in the provision of therapy services by imposing therapy caps; provides a mechanism to ensure that beneficiaries who have a medical need for additional therapy above the caps can receive such services.

Program Reforms

- Includes significant new quality reporting initiatives for hospitals and home health agencies as well as increases transparency on cost and quality measures.
- Ensures that Medicare will no longer reward hospitals when they fail to follow best evidence-based guidelines for preventing certain hospital-acquired infections.
- Phases out the budget neutrality adjustment for Medicare Advantage plans to move to a true risk adjustment system that will compensate plans accurately for the health status of their enrollees.
- Codifies phase-in of 75 percent rule for inpatient rehabilitation facilities to ensure Medicare is reimbursing appropriately for these services.
- Provides additional funding for the Medicare Integrity Program, which provides funds for anti-fraud and abuse efforts.

Beneficiary Improvements

- Includes new preventive benefits such as abdominal aortic aneurysm screening and waiving the deductible for colorectal cancer screening.
- Provides a one-year freeze for physician payments and an update for dialysis facilities, ensuring continued beneficiary access to these important services.
- Provides improved access to diabetes self-management and nutrition therapy services in community health centers.